



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 5

77 WEST JACKSON BOULEVARD

CHICAGO, IL 60604-3590

06 MAY 1992

US EPA RECORDS CENTER REGION 5



472200

REPLY TO THE ATTENTION OF:

MEMORANDUM

**SUBJECT:** Request for Extension of RD/RA Moratorium Period--  
Pagel's Pit Site, Winnebago County, Illinois

**FROM:** Valdas V. Adamkus  
Regional Administrator

**TO:** Don R. Clay, Assistant Administrator  
Office of Solid Waste and Emergency Response

The purpose of this memorandum is to request a 30 day extension of the enforcement moratorium for RD/RA negotiations for the first of two potential operable units at the Pagel's Pit site.

A Record of Decision was signed on June 28, 1991, for the first operable unit which addresses all of the problems that have been identified at the site except for the groundwater contamination in the southeast corner.

Special notice letters were sent to 19 potentially responsible parties (PRPs) on November 12, 1991, with the good faith offer due January 15, 1992. On January 16, 1992, another special notice letter was sent to five additional PRPs.

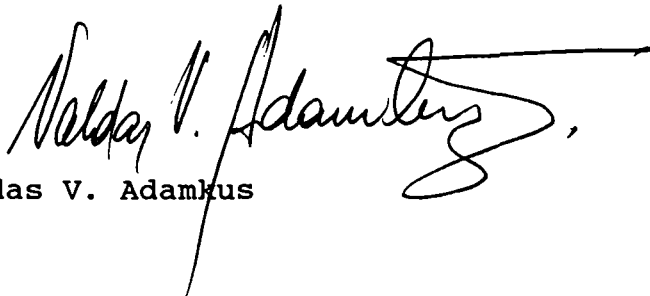
Initially, two separate offers were received that combined to make a good faith offer. One group (Active Group) offered to implement and conduct the remedial design and the remedial action consistent with the Record of Decision. Another group (Cash-out Group) offered a cash-out settlement of all claims related to the site. Both stated that they anticipated that there would be a single global settlement.

The site operator, Winnebago Reclamation Service, Inc. (WRS), at the end of the 120-day negotiation period, has stated its willingness to implement the planning, scheduling, and some of the other activities that are contemplated in the draft Consent Decree, at its own risk.

The major issues being addressed at the present time are: 1) the manner in which the Cash-out Group should be handled in terms of the covenant not to sue; and 2) how financial assurances can be provided by the Active Group in that there is no major corporation involved. If those desiring to cash out are allowed

to do so, the parties that will remain to implement and conduct the work will be the operator, the City of Rockford, and the sanitary district in Rockford. The money expected to result from the Cash-out Group will depend on the releases given, but is expected to be in the neighborhood of \$500,000. The net present worth of the remedy estimated in the feasibility study was around \$11,000,000, but with the facility operator doing the work and with some of the items already having been addressed, it is estimated that the net present worth of the work still to be done is around \$6,000,000. The past costs are about \$500,000. The Agency and the Department of Justice (DOJ) are trying to determine the best method for including the Cash-out Group in the settlement under existing policies. In addition, delays in the negotiations have resulted from the assignment of a new attorney to the case at DOJ during negotiations.

We are requesting from USEPA headquarters a 30 day extension to the RD/RA negotiation period, until May 15, 1992, to allow for the finalization of a consent decree by all interested PRPs. We look forward to a signed consent decree by that date which will provide for a complete remedial design and remedial action for the site, with the exception of the contaminated groundwater in the southeast corner, and the payment of nearly all of the past costs. If negotiations do not result in a settlement by that date, the Region will be prepared to issue an Unilateral Administrative Order within seven days of the end of negotiations.



Valdas V. Adamkus

Check:

\_\_\_\_\_ concur  
 \_\_\_\_\_ do not concur

Date:

\_\_\_\_\_  
 Don R. Clay, Assistant Administrator  
 Office of Solid Waste and Emergency  
 Response